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FM AMEMBASSY SAN SALVADOR  
TO RUEHC/SECSTATE WASHDC 3979  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE  
RUCPDOC/USDOC WASHDC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC  
RUEHRC/USDA FAS WASHDC

UNCLAS SAN SALVADOR 002437

SIPDIS

STATE FOR STATE/EB/TPP/MTA - EKOCH  
STATE PASS USAID/LAC  
STATE ALSO PASS USTR - HIRSH  
USDOC FOR 4332/ITA/MAC/WH/MSIEGELMAN AND 4110/TCC  
USDOC ALSO FOR 3134/ITA/USFCS/OIO/WH/PKESHISHIAN/BARTHUR  
USDA FOR USDA/ITP/FAS/BERTSCH

SIPDIS

E.O. 12958: N/A

TAGS: ECON ETRD ES

SUBJECT: TRADE AGREEMENT COMPLIANCE AND MONITORING IN EL SALVADOR

REF: STATE 152063

The following information is provided in response to reftel.

IA. The Economic Section coordinates efforts at post to monitor trade agreements and respond to trade barrier complaints, with significant input from the Foreign Commercial Service, Foreign Agricultural Service, Political Section, U.S. Agency for International Development, and Department of Homeland Security. The Front Office and Public Affairs Sections also have significant roles, especially in developing and executing effective strategies to encourage compliance when barriers are identified.

IB. David Krzywda, Economic Officer, is the primary contact for issues related to trade agreement compliance. Mary Boscia, Commercial Attaché, is the alternate contact.

IC. The following are examples of trade compliance activities at post:

--For many years, post has worked extensively on compliance issues related to intellectual property rights, first under the TRIPS Agreement, and now under that agreement as well as CAFTA-DR. Working with U.S. industry representatives, post is now supporting efforts of the Public Health Council and Ministry of Economy to implement the data protection and patent linkage provisions of CAFTA-DR. Also in coordination with U.S. industry representatives, post is working with local law enforcement to dismantle distribution networks for copyright and trademark infringing goods.

--Post has provided extensive reporting related to Salvadoran qualification for trade preferences under the Caribbean Basin Initiative (CBI). Post has also participated in a number of inspection activities in the textile and apparel sector to certify compliance with CBI rules of origin.

--Currently, post is working with Washington-based USTR and USDA officials to revise Salvadoran sanitary and phytosanitary (SPS) regulations for poultry and eggs that unreasonably limit market access for U.S. exporters. Post has also provided technical assistance to Salvadoran authorities on SPS issues related to systems equivalency for meat and poultry.

ID. The following are examples of monitoring efforts at post:

--Post is working with Central Bank and other regulatory authorities to ensure that legislation being prepared on securitization, financial sector regulation, factoring, and leasing is consistent

with the CAFTA-DR financial services commitments.

--Maintaining contacts within the textile and apparel sector allows post to monitor issues related to rules of origin for that sector.

--Post communicates regularly with government officials, NGOs, and others on environmental and labor issues related to the implementation of CAFTA-DR chapters on those topics. Post also provides technical assistance in these areas in support of compliance.

--Working with U.S. express delivery companies, post is pressuring customs authorities to establish expedited handling for certain shipments.

--The government proposes to expropriate a coffee plantation to create a national park; post is monitoring the situation because a U.S. company allegedly has a financial interest in the plantation.

--Post continues to monitor local reports on El Salvador's effort to extend WTO approval for nonconforming Trade-Related Investment Measures (TRIMs) that give tax breaks to exporters.

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